Message Text

CONFIDENTIAL

PAGE 01 MADRID 05794 201240Z

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FM AMEMBASSY MADRID

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INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY VIENNA

CONFIDENTIAL MADRID 5794

EXDIS

E.0. 11652: GDS

TAGS: PINT, PFOR, SP

SUBJ: SPECULATION ABOUT PRESIDENT ARIAS' FUTURE

REF: A) MADRID 5384 B) MADRID 5405 C) MADRID 5740

SUMMARY: SPECULATION IS NOW RIFE THAT FRANCO MAY FORCE ARIAS TO STEP DOWN. HOWEVER, MOST SPANISH OBSERVERS BELIEVE HE WILL STAY, ALTHOUGH ALL ALLOW THAT FRANCO CAN DO AS HE PLEASES. A SOURCE CLOSE TO ARIAS, WHOSE INFORMED ANALYSIS IS ABSTRACTED BELOW, BELIEVES ARIAS' POSITION HAS IMPROVED CONSIDERABLY SINCE HELSINKI. WE TEND TO THE VIEW - WITHOUT CLAIMING PRESCIENCE - THAT ARIAS' RETENTION IS LIKELY. END SUMMARY CONFIDENTIAL

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PAGE 02 MADRID 05794 201240Z

- 1. SPECULATION THAT FRANCO MIGHT FORCE ARIAS TO STEP DOWN HAS WAXED AND WANED SINCE FRANCO PLUCKED SOLIS FROM POLITICAL LIMBO AND INSTALLED HIM AS HEAD OF THE NATIONAL MOVEMENT. THE PRESS, NO MORE PRIVY TO FRANCO'S INNER THOUGHTS THAN THE AVERAGE BASQUE, HAS GREATLY FUELED THIS SPECULATION, TESTING THE LIMITS OF ITS FREEDOMS ON THIS ISSUE RATHER THAN ON THE MORE SENSITIVE ONE OF THE DETENTIONS OF YOUNGER MILITARY OFFICERS.
- 2. STRIKINGLY, MAJOR PUBLICATIONS HAVE IN PAST FEW DAYS MOVED FROM SIMPLE SPECULATION TO DIRECTLY OR INDIRECTLY ADVOCATING ARIAS' CONTINUANCE, SUGGESTING THAT THE PRESS NOW THINKS IT DISCERNS FIRE BEHIND THE SMOKE. NONETHELESS, MOST SPANISH OBSERVERS STILL TAKE THE LINE THAT ARIAS WILL LIKELY STAY ADDING, HOWEVER, THAT SINCE FRANCO ULTIMATELY DISPOSES ANYTHING IS POSSIBLE.
- 3. WE SOUGHT OUT A WELL-PLACED FRIEND IN ARIAS' INNER OFFICE AND PUT THE QUESTION DIRECTLY. HE WAS MOST CANDID AND READILY ACKNOWLEDGED THAT ARIAS WAS IN SOME TROUBLE BUT THOUGHT HE WOULD STAY ON. HE REMINDED US THAT ARIAS AND HIS MEN HAD COME TO GOVT THINKING THEY WOULD CONDUCT THE TRANSITION FROM FRANCO TO JUAN CARLOS. THEY HAD ACTED ON THIS ASSUMPTION IN PUTTING FORTH THEIR PROGRAM OF LIBERALIZATION. WHEN FRANCO TOOK ILL, THEY TOOK FURTHER ACTION (INCLUDING JUAN CARLOS' TEMPORARY ASSUMPTION OF THE CHIEF OF STATE ROLE) EXPECTING FRANCO'S DEATH OR PERMANENT INCAPACITATION.
- 4. IN FACT, FRANCO, NOW CONSIDERABLY RETURNED TO HEALTH, STILL RULES AND THE ARIAS GOVT TO DATE COULD NOT TRULY BE TERMED A TRANSITION GOVT. MUCH OF ARIAS' PROGRAM HAD BEEN ATTENUATED. ARIAS HAD RECEIVED SCARS, THE LATEST OF WHICH WAS THE PROROGATION OF THE CORTES ELECTIONS, A MATTER IN WHICH ARIAS WENT TO THE MAT WITH FRANCO AND LOST. SOLIS, WHO WANTED MORE TIME TO ORCHESTRATE THE POLITICAL ASSOCIATIONS HAD WON. MOREOVER, THE PORTUGUESE SITUATION HAD BECOME A POWERFUL ARGUMENT EVEN THOUGH SPECIOUS FOR THOSE WHO OPPOSED LIBERALIZATION, AN ARGUMENT THAT HAD SLOWED ARIAS' PROGRAM MORE THAN WE COULD IMAGINE. THE POLITICAL NECESSITY OF A TOUGH NEW ANTI-TERRORIST DECREE/LAW (REF C) HAD ADDED TO ARIAS' CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MADRID 05794 201240Z

PROBLEMS.

5. THE SMART BETTING, HE SAID, MIGHT HAVE BEEN AGAINST ARIAS AT THE TIME OF THE PROROGATION OF THE CORTES. OTHERS WHO ADVOCATED POLICIES WHICH WENT AGAINST FRANCO'S GRAIN, SUCH AS THE ARCHITECT OF SPAIN'S LIMITED PRSSS FREEDOM, PIO CABANILLAS, HAD BEEN AXED. IN THIS SIMPLE SCENARIO, SOLIS OR RODRIGUEZ DE VALCARCEL (THE CORTES

PRESIDENT) OR POSSIBLY ADMIRAL PITA DA VEIGA (SOMETHING OF A FRANCO INTIMATE) WOULD REPLACE ARIAS BY FALL'S END.

6. BUT ARIAS WAS STILL IN OFFICE AND HAD BEGUN USING QTE THE FOREIGN WEAPON UNQTE TO GOOD EFFECT IN HELSINKI. THE MEASURE OF RAPPORT HE HAD REACHED WITH WESTERN EUROPEAN LEADERS HAD OPENED PROSPECTS FOR GREATER EUROPEAN ACCEPTANCE, PROSPECTS THAT WOULD BE DAMAGED BY ARIAS' REMOVAL AND THE IMPLICATIONS OF A REGRESSION TO THE RIGHT.THIS WEAPON TOGETHER WITH ARIAS' RENEWED INTIMACY WITH THE PRESS, HAD GAINED WITH PRESS SUPPORT, SOMETHING THAT COULD NOT BE OVERLOOKED ENTIRELY.

7. FRANCO HAD REVERSED OR ARRESTED THOSE ELEMENTS OF LIBERALIZATION THAT DISPLEASED HIM. FROM HIS POINT OF VIEW QTE THINGS WERE BACK IN PLACE UNQTE. WHY DISTURB ROUTINE - SO IMPORTANT TO THIS 83-YEAR OLD MAN AND WHY RAISE SOLIS (A KNOWN OPPORTUNIST) TOO HIGH? IN THIS SCENARIO, WHICH OUR SOURCE THOUGHT MORE CONGENIAL TO FRANCO'S PSYCHOLOGY, THERE IS NO NEED TO REMOVE ARIAS. FAR BETTER - NOW THAT SUBSTANCE HAS BEEN ARRANGED - TO KEEP THE PERSONALITIES IN BALANCE.

8. EVEN ALLOWING FOR SEFL-INTEREST AND HYPERBOLE - E.G.,
ARIAS' PROGRAM HAS BECOME MORE OF A DEFROSTING OPERATION
THAN A POLITICAL SPRING -- OUR SOURCE'S ANALYSIS IS FAIRLY
COMPELLING. WE WOULD ADD THAT FRANCO HAS JUST SEEN AMBASSADOR
FRAGA AND THAT FRAGA HAS SAID HE WILL BE IN MADRID BY OCTOBER 1,
ADDING TO THE NUMBER OF POLITICAL FIGURES WHO CAN BE USED IN
THE GAME OF KEEPING NO SINGLE FIGURE FROM BECOMMING TOO POWERFUL.

9. IF FRANCO SHOULD FORCE ARIAS TO STEP DOWN, BECAUSE THOSE AROUND FRANCO PRESUADED HIM THAT ARIAS WAS UNTRUST-CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MADRID 05794 201240Z

WORTHY, IT COULD HAVE LONG TERM DESTABILIZING EFFECTS, REGARDLESS OF WHO REPLACED ARIAS. IT IS POSSIBLE THAT FRANCO WILL FORCE ARIAS OUT, BUT WE DOUBT IT. WE HAVE BEEN STRUCK BY THE ARTIFICIAL QUALITY OF THE ARIAS DEBATE. HAVING INSTALLED SOLIS, POSTPONED THE CORTES ELECTIONS, AND BEING ABOUT TO EMBARK ON TOUGH (AND PROBABLY UNNECESSARY) LEGAL MEASURES AGAINST TERRORISM, FRANCO MAY FIND ARIAS' RETENTION A USEFUL BALANCING DEVICE, AND ONE THAT SATISFIES HIS OFT-EXPRESSED PREFERENCE FOR CONTINUITY IN THE PRIME MINISTRY. ADDITIONALLY, ARIAS' RETENTION PROVIDES A PUBLIC COUNTER TO CRITICISM OF THESE OTHER RESTRICTIVE MOVES. STABLER

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